Deregulation of oil price

556. SHRIMATI T. RATNA BAI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that deregulation of oil prices would give the private firms a free hand to run;

(b) if so, the details thereof and the views of each of the States in this regard; and

(c) what would be the role of Government in the matter if it is deregularised?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (c) With effect from 1.04.2002, the Administered Pricing Mechanism (APM) for petroleum products was dismantled and it was decided that the pricing of all petroleum products, except PDS Kerosene and Domestic LPG, would be market-determined. However, in view of the steep increase and high volatility in the international oil prices since 2004-05, the Government has been modulating the retail selling prices of Petrol, Diesel, PDS Kerosene and Domestic LPG sold by the three Public Sector Oil Marketing Companies; namely, Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation to protect the consumer from the inflationary impact of international oil prices. The other oil marketing companies, including the private sector ones, are not subject to any price controls and are free to fix their retail prices as per market conditions and on commercial considerations.

Tax on petrol and LPG

557. SHRI SHYAMAL CHAKRABORTY:

SHRI MOINUL HASSAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is the Central Government tax component of petrol and Liquified Petroleum Gas (LPG);

(b) whether Government is willing to reduce this tax component; and

(c) the price of aviation fuel?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) The details of Central Government taxes on Petrol and Domestic LPG, as on date, are as under:

Product	Custom Duty Rate	Excise Duty
Petrol (Unbranded)	2.50%	Rs. 13.35 per litre
Domestic LPG	Nil	Nil

*3% Education Cess is also levied on the above Duties.

(b) The Government has rationalized the Custom Duty and the Excise Duty on Petrol and Domestic LPG, as per the details given below:

(i) Customs Duty on Petrol has been gradually reduced from 15% to 2.5% between August 2004 to June 2008.

(ii) Ad-valorem Excise Duty on unbranded Petrol has been gradually reduced from 26% in June 2004 to Nil in March 2008, and converted to Specific Duty.

(iii) Specific Excise Duty on unbranded Petrol has further been reduced by Re. 1 per litre in June 2008.

(iv) Custom Duty on Domestic LPG, which was 10% in August 2004, has been brought down to NIL in March, 2005.

(v) Excise Duty on Domestic LPG, which was 16% in June 2004, has also been brought down to NIL in March 2005.

(c) The price of Aviation Turbine Fuel, at Delhi, effective 16.11.2009 is Rs.40,422.62 per kilolitre.

Fire at IOC fuel depot at Jaipur

558. PROF. ALKA BALRAM KSHATRIYA:

SHRIMATI SHOBHANA BHARTIA:

SHRI KAPTAN SINGH SOLANKI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a massive fire broke out at the Indian Oil Corporation (IOC) fuel depot at Jaipur resulting loss of lives and properties;

(b) if so, the details thereof;

(c) whether the preliminary investigations into the cause of the massive fire at IOC fuel depot have been conducted;

(d) if so, the details thereof; and

(e) whether any responsibility has been fixed on major incident and steps taken by Government to avoid such incidents in future?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) The fire at POL depot of Indian Oil Corporation (IOC) at Sanganer Jaipur started at around 1915 P.M. on 29 October, 2009. It is estimated that petroleum products worth approx. Rs. 191 crore were lost and the replacement cost of IOC buildings and machinery is estimated to be over Rs. 160 crore. The product is insured and the time frame for rebuilding the infrastructure at the terminal would be about two years. 11 deaths have been confirmed of which 6 are employees of IOC. 7 persons have suffered serious injuries. The blasts in the Depot have damaged the roof, window panes and walls of nearby factories, shopping complex, some residential buildings, etc.

(c) to (e) A seven member inquiry committee under the chairmanship of Shri M.B. Lal, Ex-Chairman & Managing Director of Hindustan Petroleum Corporation Limited was constituted by the Ministry on 30.10.2009 to inquire into the causes of the incident and to suggest remedial measures to